

MINUTES OF THE FORMULARY ACCESSIBILITY WORKING GROUP

Thursday, October 15, 2015
Prince Lelei`ohoku Conference Room
King Kalakaua Building
335 Merchant Street, 3rd Floor
Honolulu, HI 96813

Members Present: Gordon I. Ito (Insurance Commissioner and Working Group Chair), Jennifer Diesman (Hawaii Association of Health Plans/Hawaii Medical Service Association), Lee Ann Teshima (Professional and Vocational Licensing Division, DCCA/Board of Pharmacy), Joan Takamori (Director of Health designee), and Cory Chun (American Cancer Society Cancer Action Network – Hawaii Pacific Region)

Member Excused: Dr. Christopher Flanders (Hawaii Medical Association)

Others Present: Andrew Zehnder (CVS Health), Barbara Kashiwabara and Phyllis Dendle (Kaiser Permanente), James Nelson (Hawaii Public Policy Advocates), and Paul Yuen (Insurance Division)

I. Call to Order

Pursuant to written notice, the second meeting of the Formulary Accessibility Working Group (the "Working Group") was called to order and chaired by Gordon I. Ito, Insurance Commissioner, at 2:03 p.m.

II. Approval of minutes of 10/01/15 meeting

A draft of the proposed minutes was circulated prior to this meeting. There was a motion to approve the proposed minutes, seconded, and approved by the Working Group.

III. Continued Discussion of Formulary Templates Currently Being Used

HMSA provided a "Comparison of ACA Regulatory Guidance & Proposed State Law: Formulary Publication" and "Formulary Posting: Federal v. State Requirements" for the WG reference, discussion, and consideration.

The WG members' and attendees' made the following observations:

- There is no ACA template, that there is only federal guidance on the creation of templates;
- That Act 197 (2015) requires all health insurers to be in compliance with the Act's requirements;
- That the Act's requirement for a "price" category is problematic since the prices on drugs change frequently, without notice, and are impacted by clients' plan coverages;
- That a client's determination of the price of a drug through the formulary is only for that period of time and may not apply when the client actually purchases the drug in the future;
- That the elderly will probably have a difficult time accessing, understanding, and navigating formularies on insurers' websites;

- That, currently, non-members of certain health plans may look at formularies but no prices are attached;
- That Texas passed a similar bill to Act 197 but no WG was created. The requirements in the bill starts in 2017. Cory Chun stated that he would try and get a copy of the bill for the WG;
- Kaiser is currently working on posting changes within 30 days. Posting changes within 14 days as required by Act 197 would require changes in its operations;
- Two options for the WG in its approach to meet Act 197's directive:
 1. Recommend to the Legislature that health insurers just comply with the ACA and work with existing tools; or
 2. Develop a template;
- That consumers would be very confused if health insurers had different formularies; and
- That standardizing the most popular formularies and not others, as a compromise, would not work.

HMSA stated that it preferred not to have a standardized template, that it would be a step backward. HMSA requires a team to make a 72 hour turnaround on all drug changes since it has an open formulary.

Kaiser stated that it would take time, work and money in developing a template different from what it has

IV. Submissions of testimony by interested parties and members of the public regarding formulary templates.

V. Recommendations for a standard formulary template to be used by insurers on their own respective websites.

It was agreed upon that for the next meeting insurers would either bring in screen shots of their existing formularies or be allowed to demonstrate their formularies through a computer-projector hook-up to the WG. The screen shots might be included in the report to the Legislature.

Notice of the next meeting will be sent to all domestic health insurers.

VI. Scheduling of Next Meeting

The next meeting will take place on Thursday, November 5, 2015, at 2 p.m., in The Queen Kapi`olani Conference Room, King Kalakaua Building , 2nd floor.

VIII. Adjournment

The meeting was adjourned at 2:56 p.m.